

AMENDED IN SENATE JUNE 22, 2011

AMENDED IN ASSEMBLY MAY 2, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

## ASSEMBLY BILL

**No. 936**

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**Introduced by Assembly Member Hueso**

February 18, 2011

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An act to add Article 4.4 (commencing with Section 33354.7) to Chapter 4 of Part 1 of Division 24 of the Health and Safety Code, relating to redevelopment.

### LEGISLATIVE COUNSEL'S DIGEST

AB 936, as amended, Hueso. Redevelopment: debt forgiveness: ~~public notice: forgiveness.~~

The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law requires the agencies, among other things, to comply with public hearing and notice requirements relating to, among other things, the adoption and amendment of redevelopment plans, the expenditure of funds, and the financing of projects.

~~This bill would require that, with regard to matters considered by a local legislative body, any matter on a meeting agenda to forgive a loan, advance, or indebtedness of a redevelopment agency be made public at a public meeting at least 2 weeks prior to the adoption of any action relating to that matter. The bill would require the chief financial official of the local legislative body to be present at the meeting to provide information relating to the impact of that forgiveness on the financial health of the city, county, or agency. The bill would also prohibit the adoption of any redevelopment agency debt forgiveness proposal from~~

being placed on a consent calendar. By imposing new duties on local public officials, the bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

*This bill would require an agency to adopt a resolution stating its intention to forgive the repayment of a loan, advance, or indebtedness owed by a public body to the agency prior to repayment forgiveness, as specified. The bill would also require an agency, on or before February 1, 2012, to adopt a resolution declaring whether it has forgiven the repayment of a loan, advance, or indebtedness owed by a public body during a specified period.*

Vote: majority. Appropriation: no. Fiscal committee: yes-no.  
State-mandated local program: yes-no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Article 4.4 (commencing with Section 33354.7)  
2 is added to Chapter 4 of Part 1 of Division 24 of the Health and  
3 Safety Code, to read:

4  
5 ~~Article 4.4. Debt Forgiveness Matters~~

6  
7 ~~33354.7. With regard to matters considered by a local~~  
8 ~~legislative body, any matter on a meeting agenda to forgive a loan,~~  
9 ~~advance, or indebtedness of a redevelopment agency shall be made~~  
10 ~~public at a public meeting at least two weeks prior to the adoption~~  
11 ~~of any action relating to that matter.~~

12 ~~33354.8. The chief financial officer at the public meeting~~  
13 ~~described in Section 33354.7 shall be present to provide~~  
14 ~~information at the public meeting as to the potential impact of~~  
15 ~~forgiveness of that loan, advance, or indebtedness on the financial~~  
16 ~~health of the city, county, or agency.~~

17 ~~33354.9. The adoption of any redevelopment agency debt~~  
18 ~~forgiveness proposal to which this article applies shall not be placed~~  
19 ~~on a consent calendar.~~

1     ~~SEC. 2.—If the Commission on State Mandates determines that~~  
2     ~~this act contains costs mandated by the state, reimbursement to~~  
3     ~~local agencies and school districts for those costs shall be made~~  
4     ~~pursuant to Part 7 (commencing with Section 17500) of Division~~  
5     ~~4 of Title 2 of the Government Code.~~

6  
7             *Article 4.4. Forgiveness of Debts and Loan*  
8

9     33354.7. (a) *Before an agency forgives a public body for the*  
10    *repayment, wholly or partially, of a loan, advance, or indebtedness*  
11    *that is owed by a public body to the agency, the agency shall adopt*  
12    *a resolution that states its intention to forgive the repayment.*

13    (b) *The resolution shall specify all of the following:*

14    (1) *The name of the public body.*

15    (2) *The amount of the proposed forgiveness.*

16    (3) *The terms of the loan, advance, or indebtedness.*

17    (4) *The fiscal effect of the proposed forgiveness on the public*  
18    *body.*

19    (5) *The fiscal effect of the proposed forgiveness on the agency.*

20    (6) *The date on which the agency intends to act on the proposed*  
21    *forgiveness which shall be no less than 15 days after the adoption*  
22    *of the resolution.*

23    (c) *The adoption of the resolution and the action that forgives*  
24    *repayment shall not be placed on the agency's consent calendar,*  
25    *but shall be adopted by a recorded roll call vote.*

26    33354.8. (a) *On or before February 1, 2012, an agency shall*  
27    *adopt a resolution that declares whether or not it has forgiven,*  
28    *during the period of time commencing January 1, 2010 through*  
29    *December 31, 2011, the repayment, wholly or partially, of a loan,*  
30    *advance, or indebtedness that has been owed by a public body to*  
31    *the agency.*

32    (b) *The resolution shall specify all of the following:*

33    (1) *The name of the public body.*

34    (2) *The amount of the forgiveness.*

35    (3) *The terms of the loan, advance, or indebtedness.*

36    (4) *The fiscal effect of the proposed forgiveness on the public*  
37    *body.*

38    (5) *The fiscal effect of the proposed forgiveness on the agency.*

- 1     (c) *No less than 10 days after the adoption of the resolution,*
- 2     *the agency shall transmit a copy of the resolution to the legislative*
- 3     *body and the Controller.*